

REGISTERED INSURANCE BROKERS OF ONTARIO (RIBO) LEVEL 1 PRACTICE EXAM (SAMPLE) STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE

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Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	5
Answers	8
Explanations	10
Next Steps	16

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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1. What is a Tort in legal terms?

- A. A legal contract breach
- B. A legal obligation not fulfilled
- C. A legal wrong other than breach of contract
- D. A party's liability for damages incurred

2. Which feature is associated with Crime Policies?

- A. Covers commonly excluded items
- B. Excludes all forms of theft
- C. Offers comprehensive health coverage
- D. Is limited to commercial properties

3. Under DCPD, what is required for the accident to qualify for coverage?

- A. At least one vehicle must be unregistered
- B. At least two vehicles must have insurance
- C. Both vehicles must be registered in Ontario
- D. Only personal vehicles qualify

4. What injury type does strict liability cover?

- A. Intentional acts only
- B. Negligent acts
- C. All injuries regardless of fault
- D. Purely economic losses

5. What kind of exposure does a Crime Policy address?

- A. Higher than normal crime exposure
- B. Only low-risk exposures
- C. Medical malpractice
- D. Your personal assets

6. What is the primary focus of the Liability coverage in auto insurance?

- A. Coverage for personal injuries only
- B. Coverage for property damage only
- C. Protection against legal claims from injuries
- D. Comprehensive auto repairs and damages

7. What qualifies as an unidentified auto?

- A. An auto with an unknown owner or driver
- B. An auto without valid registration
- C. An auto with invalid insurance
- D. All of the above

8. Which OPCF form provides coverage against tort deductibles?

- A. OPCF 27
- B. OPCF 48
- C. OPCF 32
- D. OAP 2

9. How long does an insurer have to notify an insured that they will repair or rebuild an auto under optional auto coverages?

- A. 3 days
- B. 5 days
- C. 7 days
- D. 10 days

10. What is the calculation used to assess the performance of an insurance company in terms of losses?

- A. Pure Premium
- B. Loss Ratio
- C. Deductible
- D. General Insurance

Answers

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1. C
2. A
3. B
4. C
5. A
6. C
7. A
8. B
9. C
10. B

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Explanations

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1. What is a Tort in legal terms?

- A. A legal contract breach
- B. A legal obligation not fulfilled
- C. A legal wrong other than breach of contract**
- D. A party's liability for damages incurred

A tort in legal terms refers to a legal wrong that is committed against an individual or entity, which can result in civil liability. It differs from a breach of contract in that torts arise from actions that cause harm or loss without necessarily being tied to any agreement between the parties involved. Torts can encompass a wide range of actions, including negligence, defamation, or intentional infliction of emotional distress, among others, which all result in damages to another party. Understanding torts is crucial as they form the basis of many claims in personal injury cases and other civil matters. In essence, a tort is a pathway for victims to seek compensation for harms they have suffered due to someone else's wrongdoing, thereby highlighting its significance within the legal framework of civil law. The concept of tort law aims to protect individuals and provide a remedy for damages incurred through the wrongful acts of others.

2. Which feature is associated with Crime Policies?

- A. Covers commonly excluded items**
- B. Excludes all forms of theft
- C. Offers comprehensive health coverage
- D. Is limited to commercial properties

Crime Policies are specifically designed to provide coverage for losses related to criminal activities, which may often be excluded under standard property insurance policies. One of the primary features of Crime Policies is that they cover certain losses or types of property that might not be protected under typical coverage agreements. This can include employee theft, burglary, forgery, and other criminal acts that could lead to a financial loss for the insured. In contrast, other options highlight features that do not accurately reflect Crime Policies. For instance, excluding all forms of theft does not align with the purpose of these policies, as they are intended to address theft-related losses. Additionally, comprehensive health coverage is outside the scope of Crime Policies altogether, focusing instead on property and financial loss due to crime. Finally, while Crime Policies can apply to commercial properties, they are not limited solely to them; they can also extend to various types of businesses and individuals depending on their need for coverage against crime-related incidents. Thus, the accurate association with Crime Policies is that they cover commonly excluded items.

3. Under DCPD, what is required for the accident to qualify for coverage?

- A. At least one vehicle must be unregistered
- B. At least two vehicles must have insurance**
- C. Both vehicles must be registered in Ontario
- D. Only personal vehicles qualify

Coverage under Direct Compensation – Property Damage (DCPD) requires that at least two vehicles involved in the accident are insured. This is because DCPD is a system designed to facilitate and streamline the claims process for insured vehicle owners, allowing them to claim damages to their vehicles from their own insurers regardless of fault, as long as the necessary conditions are met. In the context of DCPD, the premise is that if both vehicles are insured, they are capable of covering their respective damages without excessive complications from determining fault. It also highlights the importance of mutual protection among insured drivers, ensuring that both parties can rely on their insurance for coverage. For the other options, while unregistered vehicles or limitations to personal vehicles may influence the circumstances of an accident, they do not align with the requirements for DCPD coverage, which specifically hinges on having two insured vehicles involved in the incident. Hence, the focus remains on the necessity of insurance for both parties to ensure that proper claims procedures can be followed under DCPD regulations.

4. What injury type does strict liability cover?

- A. Intentional acts only
- B. Negligent acts
- C. All injuries regardless of fault**
- D. Purely economic losses

Strict liability encompasses all injuries regardless of fault. This legal concept is rooted in the idea that certain activities or roles inherently carry significant risk or danger, and if harm occurs as a result of engaging in those activities, the responsible party can be held liable without the need to prove negligence or intent. This means that even if the party took all possible precautions to prevent harm, they can still be held accountable for any resulting injuries. For example, in cases involving the use of hazardous materials or dangerous animals, the law imposes strict liability. If someone is injured while these materials are being handled or by an animal, the injured party does not need to prove that the owner was negligent; the mere occurrence of the injury is sufficient to establish liability. In contrast, intentional acts involve a deliberate action aimed at causing harm, while negligent acts require proof of a failure to exercise reasonable care leading to injury. Purely economic losses do not typically fall under strict liability, as this doctrine is primarily concerned with physical injuries or property damage rather than financial consequences alone.

5. What kind of exposure does a Crime Policy address?

A. Higher than normal crime exposure

B. Only low-risk exposures

C. Medical malpractice

D. Your personal assets

A Crime Policy is specifically designed to address the risk of loss due to criminal activities such as theft, burglary, fraud, or employee dishonesty. It provides coverage for businesses and individuals against these types of exposures, which can lead to significant financial losses. By focusing on higher than normal crime exposure, the Crime Policy aims to protect assets from various criminal acts and ensure that insured parties can recover from such unexpected incidents. This is particularly important for businesses that may carry cash, valuable inventory, or sensitive information that could be targeted by criminals. The other options do not align with the purpose of a Crime Policy. Low-risk exposures may not necessitate such coverage, as the likelihood of loss is minimal. Medical malpractice is addressed under professional liability insurance, which covers specific professional practices and does not fall under a Crime Policy. Personal assets are generally covered under homeowners or property insurance rather than a specialized crime coverage, which is more focused on the risks associated with criminal acts.

6. What is the primary focus of the Liability coverage in auto insurance?

A. Coverage for personal injuries only

B. Coverage for property damage only

C. Protection against legal claims from injuries

D. Comprehensive auto repairs and damages

The primary focus of Liability coverage in auto insurance is to provide protection against legal claims resulting from injuries or damage that the policyholder may cause to others in an accident. This type of coverage is essential because it safeguards the policyholder against the financial repercussions of being found at fault in a traffic incident. If someone is injured or their property is damaged due to the policyholder's actions, Liability coverage ensures that the insurer will cover the costs associated with legal claims, medical expenses, and property repairs, up to the coverage limits. Liability coverage is divided into two key components: bodily injury liability and property damage liability. Bodily injury liability covers the medical expenses as well as other damages incurred by an injured party, while property damage liability covers costs associated with damage to someone else's property. This comprehensive protection is a legal requirement in many jurisdictions, emphasizing its importance for drivers. The focus of Liability coverage is not limited to personal injuries alone, nor is it solely about property damage; it encompasses both to address the varied risks associated with operating a vehicle. Additionally, it does not cover comprehensive auto repairs for the policyholder's own vehicle, which fall under different types of coverage, such as collision or comprehensive coverage. Thus, understanding the primary role of Liability coverage is crucial

7. What qualifies as an unidentified auto?

- A. An auto with an unknown owner or driver
- B. An auto without valid registration
- C. An auto with invalid insurance
- D. All of the above

An unidentified auto is defined as an automobile that lacks information about its owner or operator. This includes situations where the identity of the vehicle's owner or driver is completely unknown. This can occur in scenarios such as hit-and-run accidents, where the driver flees the scene and leaves no information behind. While other options mention aspects like lack of valid registration or insurance, these factors alone do not necessarily define an unidentified auto; rather, they represent issues that can affect a vehicle's legitimacy. The primary characteristic of an unidentified auto is the absence of identifiable ownership or driver information, making the first option the correct choice.

8. Which OPCF form provides coverage against tort deductibles?

- A. OPCF 27
- B. OPCF 48
- C. OPCF 32
- D. OAP 2

The OPCF 48 form, known as the "Family Protection Coverage," is designed to provide coverage against tort deductibles in the event of an accident. This is particularly important for policyholders who may be involved in accidents with uninsured or underinsured motorists. When an insured individual has a claim for damages that involves a tort deductible, the OPCF 48 coverage helps to recover that expense by providing additional coverage above and beyond the liability limits that might otherwise be applicable. It acts as a safeguard for the insured, ensuring they are not left at a financial disadvantage due to the deductible associated with a tort claim. In contrast, the other forms do not specifically address tort deductibles in the same manner. For instance, OPCF 27 relates to the endorsement for additional insureds, OPCF 32 pertains to permission to drive other cars, and OAP 2 is a standard Ontario automobile policy document that covers statutory accident benefits but does not provide the same specific coverage regarding tort deductibles as the OPCF 48 does.

9. How long does an insurer have to notify an insured that they will repair or rebuild an auto under optional auto coverages?

- A. 3 days
- B. 5 days
- C. 7 days
- D. 10 days

An insurer must notify an insured within 7 days regarding the decision to repair or rebuild an auto under optional coverages. This timeframe is significant as it provides a balance between ensuring the insured is kept informed about the handling of their claim and allowing the insurer sufficient time to assess the situation and make an informed decision. The 7-day requirement helps streamline the claims process and enables the insured to have clarity about their vehicle's status, which is crucial in managing their expectations and planning for any interim transportation needs. Understanding this timeline also reflects the insurer's commitment to prompt communication with their clients, which is essential in maintaining trust and satisfaction in the insurance relationship.

10. What is the calculation used to assess the performance of an insurance company in terms of losses?

A. Pure Premium

B. Loss Ratio

C. Deductible

D. General Insurance

The loss ratio is a key financial metric used to assess the performance of an insurance company regarding its losses. It is calculated by dividing the total incurred losses (including claims paid and claim reserves) by the total earned premiums during a specific period. This ratio provides valuable insight into how much of the premium income is being used to pay for claims, indicating the insurer's underwriting performance. A low loss ratio suggests that the insurer is effectively managing its risks and making a profit, while a high loss ratio may indicate that the company is facing significant claims relative to its premiums, which could point to potential financial difficulties. Thus, monitoring the loss ratio is crucial for an insurance company to ensure sustainability and profitability.

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Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://ribolevel1.examzify.com>

We wish you the very best on your exam journey. You've got this!

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